

# Changes in Share Capital and Shareholders

## (1) Changes in shareholdings during the Reporting Period

Unit: Shares

	Before the change		Newly Issued shares	Increase/decrease from the change (+/-)				After the change	
	Amount	Percentage (%)		Bonus shares	Transfer	Others	Sub-total	Amount	Percentage (%)
1. Restricted shares									
1. State-owned shares	334,715,000	51.10						334,715,000	51.10
2. Non-restricted shares									
1. Renminbi ordinary shares	78,300,000	11.95						78,300,000	11.95
2. Overseas listed foreign shares	242,000,000	36.95						242,000,000	36.95
3. Total number of shares	655,015,000	100						655,015,000	100

Note: During the reporting period, there is no change in the total number of the Company's shares and the shareholding, and structure. The Company did not repurchase, sell or redeem its listed securities.

As at 27 March 2008, the most practicable and recent date for the announcement of the Annual Report, the Company has complied with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") in relation to sufficient public float.

Changes of Shares subject to trading moratorium:

Name of Shareholder	Number of shares subject to trading moratorium as at the beginning of the year	Number of shares released from trading moratorium over the year	Increase in numbers of shares subject to trading moratorium over the year	Number of shares subject to trading moratorium as at the end of the year	Reason of trading moratorium	Date of release of trading moratorium
Panda Electronics Group Limited ("PEGL")	334,715,000	0	0	334,715,000	Share Segregation Reform	11 September 2008
Total	334,715,000	0	0	334,715,000		



# Changes in Share Capital and Shareholders

## (2) Shares in issue and listings

### 1. Shares in issue and listings

	H Shares	A Shares
Date of issue	1996.4.24 – 5.2	1996.11.7 – 11.18
Par value	RMB1.00 per share	RMB1.00 per share
Issue price	HK\$2.13 per share	RMB5.10 per share
Number of shares issued (share)	242,000,000	23,000,000
Date of listing	1996.5.2	1996.11.18
Place of listing	Hong Kong	Shanghai
Aggregate number of shares permitted to be traded (share)	242,000,000	28,000,000
Opening price on the first trading day of listing	HK\$2.05	RMB11.00
Opening price on the first trading day of the year	HK\$1.88	RMB 5.50
Closing price on the first trading day of the year	HK\$2.84	RMB10.93
The highest price during the year	HK\$5.50	RMB14.48
The lowest price during the year	HK\$1.85	RMB5.30
Total transaction volume during the year (0'000 Shares)	102,934.15	406,883.26

### 2. Issue of shares during the past three years

During the past three years ended 31 December 2007, the Company did not issue or list shares such as additional issue of new shares or placing, etc.

### 3. Existing internal employee's share

There was no internal employee's share at the end of the reporting period.



# Changes in Share Capital and Shareholders

## (3) Shareholders

The total number of shareholders, the number of shares held by the top ten shareholders and holders of circulating shares of the Company as at 31 December 2007 are as follows:

As at the end of reporting period, there were a total of 23,521 shareholders, of which 23,489 were holders of A Shares and 32 were holders of H Shares.

### Details of the top ten shareholders

Unit: Shares

Name of shareholders	Type of shareholders (state-owned or foreign shareholders)	Percentage (%)	Total number of shares held	Number of non-circulating shares held	Number of shares pledged or frozen
PEGL	State-owned shareholders	51.10	334,715,000	334,715,000	67,350,000 shares were pledged, 92,815,000 were judicial frozen, 100,000,000 were pledged and judicial frozen (Note 1)
HKCSS (Nominees) Limited	Foreign shareholders	36.84	241,275,899	0	Unknown
Wu Yunping 吳雲平	Public Shareholder	0.432	2,830,300	0	Unknown
Yu Songfeng 余松峰	Public Shareholder	0.213	1,393,600	0	Unknown
Zhang Huiqing 張惠清	Public Shareholder	0.181	1,184,470	0	Unknown
Zhang Yongsong 張永送	Public Shareholder	0.169	1,109,158	0	Unknown
Fang Jinlian 方金蓮	Public Shareholder	0.159	1,040,663	0	Unknown
Zhang Folian 張佛連	Public Shareholder	0.133	870,680	0	Unknown
Huang Li 黃莉	Public Shareholder	0.130	852,207	0	Unknown
Zeng Hong 曾鴻	Public Shareholder	0.111	724,145	0	Unknown



# Changes in Share Capital and Shareholders

## (3) Shareholders (Continued)

### Details of the top ten holders of shares not subject to trading moratorium

Name of shareholders	Number of shares held not subject to trading moratorium	Class of shares
HKCSS (Nominees) Limited	241,275,899	H (Note 2)
Wu Yunping 吳雲平	2,830,300	A
Yu Songfeng 余松峰	1,393,600	A
Zhang Huiqing 張惠清	1,184,470	A
Zhang Yongsong 張永送	1,109,158	A
Fang Jinlian 方金蓮	1,040,663	A
Zhang Folian 張佛連	870,686	A
Huang Li 黃 莉	852,207	A
Zeng Hong 曾 鴻	724,145	A
Chen Chaohui 陳朝暉	705,100	A

Description of the connected relationship or party acting in concern among the aforesaid shareholders

There is no connected relationship or party acting in concern between the state-owned shareholder and the top ten holders of shares of the Company not subject to trading moratorium. The Company is not aware of any connected relationship or party acting in concern between the state-owned shareholder and the top ten holders of shares of the Company not subject to trading moratorium.

#### Notes:

- (1) Among the shareholders named above, PEG L held 334,715,000 shares on behalf of the state, representing 51.10% of the issued share capital of the Company, which were circulating shares subject to trading moratorium. Among the shares held by PEG L, 67,350,000 shares have been pledged, 92,815,000 shares have been judicially frozen, and 100,000,000 shares have been both pledged and judicially frozen.
- (2) HKSCC (Nominees) Limited held 241,275,899 H Shares, representing 36.84% of the issued share capital of the Company, on behalf of a number of clients. The Company is not aware of any individual client holding more than 5% of share capital issued by the Company.



# Changes in Share Capital and Shareholders

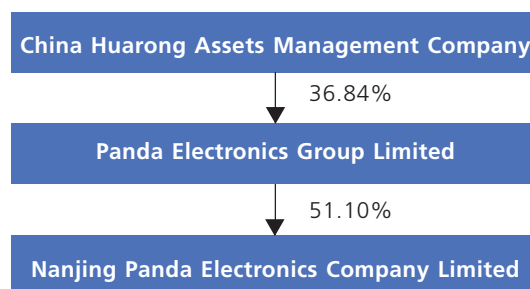
## (4) Details of controlling shareholder and other ultimate controllers of the Company

During the Reporting Period, there was no change in the controlling shareholder and the ultimate controller of the Company, namely, PEGL and 中國華融資產管理公司 (China Huarong Assets Management Company) respectively. The basic condition was as follows:

PEGL held 334,715,000 shares, representing 51.10% of the issued share capital of the Company, which were non-circulating shares. The predecessor of PEGL was established in 1936, which was converted into a limited company upon approval by the Nanjing Municipal Government on 5 July 1999 and subsequently completed the conversion of indebtedness into equity interests on 4 June 2003. The registered capital of PEGL is RMB 1,266,060,000 and its shareholders include 中國華融資產管理公司 (China Huarong Assets Management Company) (“China Huarong”), representing 36.84% of the share capital, 南京新港開發總公司 (Nanjing Xingang Development Corporation), representing 22.07% of the share capital, 江蘇省國信資產管理集團有限公司 (Jiangsu International Trust and Investment Corporation), representing 21.59% of the share capital, 中國建設銀行股份有限公司 (China Construction Bank Corporation), representing 8.21% of the share capital, 中國長城資產管理公司 (China Changcheng Assets Management Company), representing 6.31% of the share capital, 南京市國有資產經營(控股)有限公司 (Nanjing Municipal State-owned Assets Operation (Holding) Company), representing 4.32% of the share capital, and 中國信達資產管理公司 (China Cinda Assets Management Company), representing 0.66% of the share capital. The legal representative is Mr. Li Anjian. PEGL engages in the manufacture of wireless telecommunication equipment, broadcasting television equipment, electrical machinery and apparatus, electronic system projects, etc. 67,350,000 shares held by PEGL were pledged and 92,815,000 were judicial frozen. In addition, 100,000,000 were both pledged and judicial frozen.

China Huarong, the ultimate controller of the Company, was established on 1 November 1999, with a registered capital of RMB10 billion. Its legal representative is Ding Zhongchi. Its principal operations are acquisition and operation of the non-performing assets disposed of by Industrial and Commercial Bank of China, demand for the payment of debt, re-allocation, transfer and sales of assets, debt restructure and corporate restructure, debt-equity swap and phase by phase shareholdings, securitization of assets and other operations approved by financial regulatory authorities. It holds 36.84% of shares in PEGL through debt-equity swap.

Controlling relationship between the Company and the ultimate controller is as follows:



Note: Please refer to point 9 of part 11 in the Annual Report “Significant Events” for related matters of China Electronics Corporation (“CEC”).



## Changes in Share Capital and Shareholders

### (5) Substantial shareholders' interests and short positions in the shares or underlying shares of the Company

On 31 December 2007, so far as the Directors, Supervisors and senior management staff of the Company were aware of, long positions in shares or underlying shares of the Company held by substantial shareholders (exclusive of Directors, Supervisors and senior management staff of the Company) which were required, pursuant to section 336 of the Securities and Futures Ordinance ("SFO"), to be filed in the register were as follows: (1) PEGL held 334,715,000 domestic shares, accounting for approximately 81.04% of domestic shares in issue and approximately 51.10% of the total shares in issue. The nature of interests in such shares was corporate interest which was held in the capacity of beneficial owner. (2) Lewis Joseph held 20,260,000 H Shares, accounting for approximately 8.37% of H Shares in issue and approximately 3.10% of the total shares in issue. The nature of interests in such shares is personal interest which was held in the capacity of beneficial owner. (3) Tuesday Thirteen Inc., held 16,920,000 H Shares, accounting for approximately 7.00% of H Shares in issue and approximately 2.59% of the total shares in issue. The nature of interests in such shares was corporate interest which was held in the capacity of controlled corporation. No short positions were found in any shares held by the above substantial shareholders.

Save as disclosed above, the Company is not aware of any person (exclusive of Directors, Supervisors and senior management of the Company) who has any interests or short positions which were required to be filed in the register pursuant to section 336 of the SFO.

